

## Sun Life NWQ Flexible Income Fund

### Series A

**\$8.1134 CAD**

Net asset value per security (NAVPS) as of May 22, 2020

 **\$0.0239 | 0.30%**

Additional series available

#### Benchmark

Barclays U.S. Aggregate Bond C\$ Hedged Index

#### Morningstar™ Rating

★★

#### Fund category

Tactical Balanced

#### Funds in category

335

Mutual fund categories are maintained by the Canadian Investment Funds Standards Committee (CIFSC).

### Investment objective

The Fund seeks to achieve income and capital appreciation by investing primarily in a diversified portfolio of income producing securities.

### This Fund may be suitable for investors who:

- seek regular monthly income and capital appreciation;
- seek diversified sources of income in a single fund;
- are long-term investors; and
- are comfortable with low to medium investment risk

### Fund essentials

<b>Inception date</b>	Feb. 3, 2014
<b>Min initial inv \$</b>	500
<b>Min additional inv \$</b>	50
<b>MER % unaudited as at June 30, 2019</b>	1.70
<b>Management fee %</b>	1.35
<b>Distributions</b>	\$0.03750 per unit per month. Refer to Simplified Prospectus for more detail.

### Management company

Sun Life Global Investments (Canada) Inc.

### Sub-advisor

NWQ Investment Management Company, LLC  
Los Angeles, California

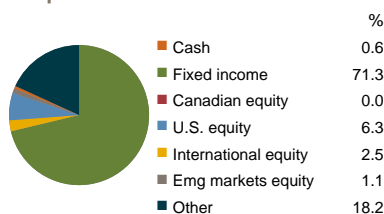
Class	Load structure	Currency	Fund Code
A	ISC	CAD	SUN180
A	DSC	CAD	SUN280
A	LSC	CAD	SUN380

### Risk profile



## PORTFOLIO ANALYSIS (as of March 31, 2020)

### Composition



### Fixed inc style



### Credit quality

Credit quality	%
AAA	0.0
AA	1.2
A	2.9
BBB	38.3
BB	29.4
B	24.3
Below B	1.6
Not Rated	2.2

### Geographic composition

Geographic composition	%
United States	88.5
United Kingdom	3.3
Canada	3.2
Curacao	1.4
Belgium	1.1
Peru	0.9
Germany	0.9
France	0.6
Others	0.0

### Fixed income

Fixed income	%
Government bonds	0.0
Corporate bonds	99.3
Securitized	0.0
Cash & Equivalents	0.7
Derivatives	0.0

### Top ten holdings

Top ten holdings	%
as of March 31, 2020	
Hewlett Packard Enterprise Company 2045-10-15	6.35%
Citigroup Inc. 2049-12-31	2.1
Albertsons Companies, LLC. 2024-06-15	6.62%
Viacom Inc	2.0
AVANTOR INC 2025-10-01	9%
EMERA INCORPORATED 2076-06-15	1.9
Trinseo Materials Operating SCA and Trinseo Materials Finance, Inc 2025-09-01	5.38%
Broadcom Corporation/Broadcom Cayman Finance Ltd 2027-01-15	3.88%
McDonald's Corporation 2045-12-09	4.88%
Nordstrom, Inc. 2044-01-15	5%
Total number of portfolio holdings	141

Cash and cash equivalents are not shown.

\*Global Industry Classification Standard (GICS).

## PERFORMANCE ANALYSIS (as of April 30, 2020)

Calendar year	YTD	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>Total assets \$M</b>	2.2	2.5	2.4	2.8	2.6	1.9	1.3	-	-	-	-
<b>Fund return %</b>	-10.2	15.1	-6.1	6.3	5.5	-1.4	4.5	-	-	-	-
<b>Category return %</b>	-5.2	11.3	-4.1	7.0	6.0	0.6	-	-	-	-	-
<b>Distribution \$/security</b>	0.15	0.45	0.55	0.46	0.50	0.50	0.53	-	-	-	-
<b>Quartile (within category)</b>	4	1	4	2	3	3	-	-	-	-	-

Trailing	1 mth	3 mth	6 mth	1 yr	2 yr	3 yr	5 yr	10 yr	Since inception
<b>Fund return %</b>	4.7	-11.3	-9.2	-4.3	-0.5	-0.1	1.0	-	1.8
<b>Category return %</b>	5.0	-6.3	-3.3	-2.6	1.1	1.1	2.3	-	-
<b>Morningstar™ rating</b>	-	-	-	-	-	★★	★★	-	-
<b>Quartile (within category)</b>	3	4	4	3	3	3	3	-	-
<b># of funds in category</b>	390	388	385	380	358	335	207	-	-

\*For the period February 03 to December 31.

Returns for funds less than 1 year old cannot be displayed.

## 3-YEAR RISK MEASURES (as of April 30, 2020)

Annualized returns are used to calculate the risk metrics below.

<b>Standard deviation (fund)</b>	9.45	<b>Sharpe ratio</b>	-0.09	<b>Alpha</b>	-4.64
<b>Standard deviation (category)</b>	8.15	<b>R<sup>2</sup></b>	31.63	<b>Beta</b>	0.78

**Standard deviation** is a measure of volatility; it shows how broadly returns have varied over a given time period. Generally, a high standard deviation implies greater volatility.

**Sharpe ratio** combines a risk measurement and a return measurement into a single number to determine a fund's risk-adjusted return. A higher value is better.

**R<sup>2</sup>**: reflects the percentage of a portfolio's movements that can be explained by movements in its benchmark. It is measured on a scale of 0-100.

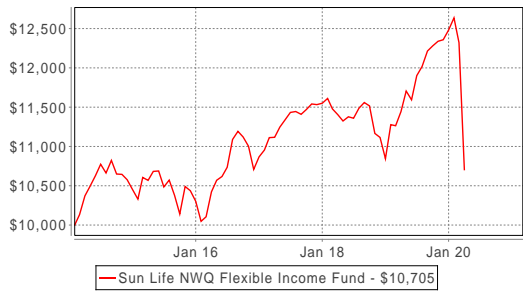
**Alpha** measures the difference between a fund's return and its benchmark, taking into account volatility (beta). An alpha of 1 means a fund outperformed its benchmark by 1%; -1 means the fund underperformed by 1%.

**Beta** measures the movement of a fund in relation to its benchmark. A beta over 1 means price moves are greater (up or down) than the benchmark's; below 1 means less extreme price moves; 1 means it moves in step with its benchmark.

### Management team

NWQ Investment Management Company, LLC:  
 Thomas J. Ray, CFA, Managing Director, Fixed Income Portfolio Manager; Susi Budiman, Co-Head of Fixed Income and Co-Portfolio Manager

## CURRENT VALUE OF A \$10,000 INVESTMENT



Initial investment amount:

\$10000

Time frame:

Start Feb 2014

End Apr 2020

The calculator generates an approximate rate of return using performance information as at the first business day of each month in your chosen time frame. Returns for funds less than 1 year old cannot be displayed. The default settings invest \$10,000 on the inception date of the fund, with an end date of January in the current year. For informational purposes, the initial investment amount and time frame can be adjusted according to your preference.

## INVESTMENT MANAGEMENT APPROACH

NWQ Investment Management Company, LLC

NWQ's approach to investing is based upon a bottom-up, fundamental approach. The team conducts independent research focused on understanding individual companies as businesses rather than viewing them simply as stocks. Part of the methodology includes rigorous financial statement evaluation, focusing on balance sheet and cash flow statement analysis above solely relying upon the income statement, a process they believe allows for a true understanding of a company's economic profitability, cash flow and return on capital.

## NOTES AND DISCLAIMERS

For periods greater than one year, the indicated rates of return are the historical annual compounded total returns as of the date indicated including changes in unit value and reinvestment of all distributions and do not take into account sales, redemption, distribution or optional charges or income taxes payable by any security holder that would have reduced returns.

Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus before investing. For periods greater than one year, the indicated rates of return are the historical annual compounded total returns as of the date indicated including changes in unit value and reinvestment of all distributions and do not take into account sales, redemption, distribution or optional charges or income taxes payable by any security holder that would have reduced returns. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated.

Compound growth calculations are used only for the purpose of illustrating the effects of compound growth and are not intended to reflect the future value of any mutual fund or returns on investment in any mutual fund.

Distributions should not be confused with "yield" or "income", and are not intended to reflect a fund's investment performance or rate of return. Distributions may be comprised of income, capital gains or return of capital. The distribution rate on units held by an investor may be greater than the return on the fund's investments. If the cash distributions paid to an investor are greater than the net increase in the value of the investment, the distribution will erode the value of the original investment. Distributions are automatically reinvested in additional units of the applicable fund unless the investor instructs us to distribute cash.

If necessary, a fund will make an additional distribution of income and capital gains in December of each year. The funds may make additional distributions of income, capital gains or return of capital at any other time as we consider appropriate. A distribution of capital is not immediately taxable to an investor but will reduce the adjusted cost basis of the investor's units.

There can be no assurance that a fund will make any distributions in any particular month, and we reserve the right to adjust the amount of monthly distribution if we consider it appropriate, without notice.

Ratings and/or ranking information is subject to change monthly.

Morningstar is an independent organization that groups funds with generally similar investment objectives for comparison purposes and ranks them on a historical basis.

The Morningstar Rating™ for funds, or "star rating", is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% three-year rating for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods.

Morningstar quartile rankings show how well a fund has performed compared to all other funds in its peer group. Each fund within a peer group is ranked based on its performance, and these rankings are broken into quarters or quartiles. Within a group, the top 25% (or quarter) of the funds are in the first quartile, the next 25% are in the second quartile, the next group in the third quartile, and the bottom 25% of funds with the poorest relative performance are in the fourth quartile. The point in which half the funds had better performance and half had worse performance is the median. If 100 funds are being compared, there would be four quartiles of twenty-five funds each. The median would be the fiftieth fund.

For more details on the calculation of Morningstar star ratings or quartile rankings, please see [www.morningstar.ca](http://www.morningstar.ca).

The Morningstar Style Box™ reveals a fund's investment strategy. For equity funds the vertical axis shows the market capitalization of the stocks owned and the horizontal axis shows investment style (value, blend or growth). For fixed-income funds the vertical axis shows the average credit quality of the bonds owned, and the horizontal axis shows interest rate sensitivity as measured by a bond's duration (short, intermediate or long).

Average credit quality gives a snapshot of the fund's overall credit quality. It is an average of each fixed income security's credit rating, adjusted for its relative weighting in the fixed income portion of the fund. Morningstar, Inc. is not itself a Designated Rating Organization (DRO), nor does it issue a credit rating on the fund. A DRO's ratings

can change from time-to-time.

Morningstar Market Capitalization Breakdown Stocks are first divided into seven style zones based on their country of domicile: United States, Latin America, Canada, Europe, Japan, Asia ex-Japan, and Australia/New Zealand. Capitalization assignments are determined as follows: 1) For all stocks in a style zone, the market cap of each stock is converted into a common currency. The stocks in each style zone are ordered in descending order by size, and a cumulative capitalization as a percentage of total sample capitalization is calculated as each stock is added to the list. 2) The stock that causes cumulative capitalization to equal or exceed 40% of the style zone's total cap is the final one assigned to the giant-cap group. 3) The largest of the remaining stocks are assigned to the large-cap group until cumulative capitalization equals or exceeds 70% of the total capitalization of the style zone. 4) The largest of the remaining stocks are assigned to the mid-cap group until cumulative capitalization equals or exceeds 90% of the total capitalization of the style zone. 5) The largest of the remaining stocks are assigned to the small-cap group until cumulative capitalization equals or exceeds 97% of the total capitalization of the style zone. 6) The remaining stocks are assigned to the micro-cap group. The Market Capitalization Breakdown at a fund level is a breakdown of the capitalization assignments of the fund's equity holdings.

Morningstar category averages are equal-weighted category returns. The calculation is simply the average of the returns for all the funds in a given category. The standard category average calculation is based on constituents of the category at the end of the period.

Categories are assigned by Canadian Investment Funds Standards Committee (CIFSC) based on an evaluation of a fund's holdings. A fund's category may change at any time. Funds within the same category may differ in terms of investment philosophy, investment process, as well as overall composition.

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